

Public Housing Operating Fund

Annual subsidy to public housing agencies (PHAs) for operations and management.

Nature of Program: The Operating Fund is available by formula distribution to PHAs to cover operating and management costs. Funding eligibility is offset by the amount of expected tenant rental revenue. A PHA can use operating funds for operating and management costs, including administration, routine maintenance, anti-crime and anti-drug activities, resident participation in management, insurance costs, energy costs, and costs, as appropriate, related to the operation and management of mixed finance projects and repayment of debt service to finance rehabilitation and development of public housing units.

Non-troubled PHAs that own or operate fewer than 250 public housing units have full discretion in how they allocate these grants between the Capital and Operating funds.

PHAs may leverage Operating Funds to make capital improvements through the Operating Fund Financing Program by pledging a portion of their operating reserves to make future debt service payments. PHAs may also leverage Operating Funds to enter into Energy Performance Contracts, by pledging to use energy savings for debt service payments.

Applicant Eligibility: Public housing agencies.

Legal Authority: Section 9(e) of the U.S. Housing Act of 1937 (42 U.S.C. 1437g(e)). Regulations are at 24 CFR part 990.

Administering Office: Assistant Secretary for Public and Indian Housing, U.S. Department of Housing and Urban Development, Washington, DC 20410.

Information Sources: Local public housing agencies or HUD field offices.

Current Status: Active.